

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 051 24062

Approval Date: 08/19/2016
Expiration Date: 02/19/2017

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 17 Twp: 9N Rge: 6W County: GRADY
SPOT LOCATION: NW NE NW NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 275 765

Lease Name: GENE CARROLL Well No: 1H-8-5 Well will be 275 feet from nearest unit or lease boundary.
Operator Name: CITIZEN ENERGY II LLC Telephone: 9189494680 OTC/OCC Number: 23559 0

CITIZEN ENERGY II LLC
320 S BOSTON AVE STE 1300
TULSA, OK 74103-4702

ADAM AND ELISHA BASFORD
1448 COUNTY ROAD 1213
TUTTLE OK 73089

Formation(s) (Permit Valid for Listed Formations Only):

Name	Depth	Name	Depth
1 MISSISSIPPI LIME	11000	6	
2		7	
3		8	
4		9	
5		10	

Spacing Orders: 338339
224504

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201603230
201603229

Special Orders:

Total Depth: 21700 Ground Elevation: 1366 Surface Casing: 1000 Depth to base of Treatable Water-Bearing FM: 300

Under Federal Jurisdiction: No Fresh Water Supply Well Drilled: No Surface Water used to Drill: Yes

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 16-31443

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is AP/TE DEPOSIT

Pit Location Formation: TERRACE

HORIZONTAL HOLE 1

Sec 05 Twp 9N Rge 6W County GRADY

Spot Location of End Point: NE NW NW NW

Feet From: NORTH 1/4 Section Line: 1

Feet From: WEST 1/4 Section Line: 360

Depth of Deviation: 10630

Radius of Turn: 470

Direction: 358

Total Length: 9910

Measured Total Depth: 21700

True Vertical Depth: 11000

End Point Location from Lease,
Unit, or Property Line: 1

Notes:

Category

Description

DEEP SURFACE CASING

8/15/2016 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

8/15/2016 - G71 - OCC 165:10-3-10 REQUIRES: 1) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS BE REPORTED TO FRACFOCUS USING THE FOLLOWING LINK [HTTP://FRACFOCUS.ORG/](http://fracfocus.org/) WITH NOTICE GIVEN 48 HOURS IN ADVANCE OF FRACTURING TO THE LOCAL OCC DISTRICT OFFICE; AND, 2) PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE ALSO GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE.

MEMO

8/15/2016 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

PENDING CD - 201603229

8/18/2016 - G60 - (E.O.) 5 & 8-9N-6W
EST MULTIUNIT HORIZONTAL WELL
X338339 (5-9N-6W) MSSLM
X224504 (8-9N-6W) MSSLM
50% (5-9N-6W)
50% (8-9N-6W)
CITIZEN ENERGY II, LLC.
REC. 8-12-16 (JOHNSON)

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

Category	Description
PENDING CD - 201603230	8/18/2016 - G60 - (E.O.) 5 & 8-9N-6W X338339 MSSLM X224504 MSSLM COMPL. INT. (8-9N-6W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL. INT. (5-9N-6W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL CITIZEN ENERGY II, LLC. REC. 8-12-16 (JOHNSON)
SPACING - 224504	8/18/2016 - G60 - (640) 8-9N-6W EST OTHERS EXT OTHERS EXT 153950/168898 MSSLM
SPACING - 338339	8/18/2016 - G60 - (640) 5-9N-6W EXT OTHER EXT 224504 MSSLM, OTHERS

This permit does not address the right of entry or settlement of surface damages.
The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.
Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.



Well Location Plat

S.H.L. Sec. 17-9N-6W I.M.
B.H.L. Sec. 5-9N-6W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: GENE CARROLL 1H-8-5
Footage: 275' FNL - 765' FWL GR. ELEVATION: 1366' Good Site? YES
Section: 17 Township: 9N Range: 6W I.M.
County: Grady State of Oklahoma
Alternate Loc.: N/A

API: 3505124062

Terrain at Loc.: Location fell in fairly flat and open pasture
Accessibility: From the North
Directions: From the the intersection of State Highway 92 & "SW 4th Street" in Tuttle, OK, go South for 2.6 Miles, go 0.5 Mile on "CR 1212, turn South on "CR 2890 RD", turn right on "CR 2880 RD" and go 0.8 Mile to the Lease Road Entrance



GPS DATUM
NAD - 83
OK SOUTH ZONE

GPS DATUM
NAD - 27
OK SOUTH ZONE

Surface Hole Loc.:
Lat: 35°15'39.45"N
Lon: 97°51'46.14"W
X: 2009456
Y: 701556

Surface Hole Loc.:
Lat: 35°15'39.23"N
Lon: 97°51'44.98"W
X: 2041053
Y: 701514

Bottom Hole Loc.:
Lat: 35°17'26.67"N
Lon: 97°51'51.21"W
X: 2009021
Y: 712397

Bottom Hole Loc.:
Lat: 35°17'26.45"N
Lon: 97°51'50.05"W
X: 2040618
Y: 712354

survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2018
Invoice #6403-A-A
Date Staked: 05/25/16 By: H.S.
Date Drawn: 05/27/16 By: R.S.
Rev. Lse. Name/Sections: 07/12/16 By: J.H.

Certification
This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

LANCE G. MATHIS 07/12/16
OK LPLS 1664

